

THE DEPARTMENT OF ENERGY
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**Department of Energy Offers Severstal Dearborn, LLC a \$730
Million Conditional Loan Commitment for Michigan Project**

*Project Expected to Generate Over 2,500 Jobs and Manufacture Advanced Steel to Improve Fuel
Efficiency*

Washington, D.C. – U.S. Energy Secretary Steven Chu today announced the offer of a \$730 million conditional loan commitment to Severstal Dearborn, LLC. The funding will support the modernization of existing facilities in Dearborn, Michigan, in addition to the design, manufacture, and construction of new facilities to produce the next generation of automotive advanced high strength steel (AHSS). The Severstal project has the potential to significantly increase the supply of AHSS in North America as demand continues to grow for fuel-efficient vehicles. An increased supply for this breakthrough technology steel will help U.S. automotive manufacturers meet the pending and future design, weight, and safety requirements of advanced technology vehicles. Severstal estimates the project will generate over 2,500 construction jobs and over 260 permanent manufacturing jobs.

“The Severstal project will help make American automakers more competitive as demand for lighter, more fuel efficient vehicles increases,” said Secretary Steven Chu. “By manufacturing more advanced high strength steel here at home, we rely less on imports and create thousands of new jobs that get people back to work.”

"Today's announcement is great news for the company and its workers, for Michigan and for the nation," said Senator Carl Levin. "To compete today and in the future and create jobs, our manufacturers must develop breakthrough technologies in a range of areas, and this loan announcement is an important step toward developing and marketing such technologies."

"In Michigan we certainly welcome this announcement that will put so many people back to work," said Senator Debbie Stabenow, author of the Advanced Technology Vehicle Manufacturing initiative. "This is exactly how this initiative is supposed to work. An old factory is being transformed to produce advanced technology products that will make our cars safer and more fuel-efficient, and employ thousands of Michigan residents in the process. I am very thankful to Secretary Chu and his staff for selecting Michigan for this investment."

"I am extremely pleased that the Department of Energy has decided to grant Severstal an Advanced Technology Vehicle Manufacturing loan," said Representative John Dingell. "The \$730 million Severstal will receive will support the company's production of lightweight, high strength steel, which will improve automobile fuel efficiency without compromising safety."

More importantly, this loan will support 260 new jobs at Severstal's Michigan locations. Secretary Chu has my heartfelt thanks for his wise decision to support the manufacturing jobs of tomorrow in my district. This loan will help Severstal and Southeast Michigan advance the President's goal of out-innovating and out-building the rest of the world."

The facilities will produce a wide range of advanced high strength steels, which will enable manufacturers to reduce the weight of steel components used in vehicles, creating a 10 percent reduction in total vehicle weight while meeting increasingly stringent safety regulations. Severstal's AHSS project has the potential to reduce petroleum-based fuels consumption by nearly 30 million gallons annually, and thus avoid over 260,000 metric tons of carbon dioxide emissions.

The Department of Energy's Loan Programs Office administers three separate programs: the Title XVII Section 1703 and Section 1705 loan guarantee programs, and the Advanced Technology Vehicle Manufacturing (ATVM) loan program. The loan guarantee programs support the deployment of commercial technologies along with innovative technologies that avoid, reduce or sequester greenhouse gas emissions, while ATVM supports the development of advanced vehicle technologies. Including all three programs, DOE has issued loans, loan guarantees or offered conditional commitments for loan guarantees totaling over \$40 billion to support 42 clean energy projects across the U.S. Including Severstal, the Department has provided over \$9 billion in loans to advanced technology vehicle manufacturers, including Ford Motor Company, Fisker Automotive, Nissan North America, Tesla Motors, and Vehicle Production Group.

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